THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) India's Executive Director in the International Monetary Fund regularly keeps the Government informed about important events that have a bearing on the international monetary system, with observations of the Executive Board of the Fund in case such an event is discussed in the Board. The letter from the Executive Director on the Mexican crisis was one such communication in which he had narrated the various dimensions of the Mexican crisis and the measures which were being taken to restore order.

(b) No Sir.

(c) Details of the performance of Indian economy during 1994-95 have been documented in the Economic Survey presented to the Parliament on 14th March, 1995. In terms of our current account deficit or stability of foreign exchange reserves or any other external account parameter the conditions prevailing in India are entirely different from that of Mexico. Government is keeping national interest foremost in its mind in pursuing the policy of economic liberalisation and shall take all steps to ensure a sound macro-economic management and orderly balance of payments position of the country.

Business premises raided

4395. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether the Enforcement Directorate, Delhi have raided the residence and business premises of an industrialists in the month of February, 1995;

(b) if so, the details of incriminating documents etc. seized from the premises;

(c) whether Government contemplate any action against the industrialist for violating FERA and other related Acts; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) During the month of February, 1995 the raids conducted by the Enforcement Directorate in the business premises of M/s. Jindal Export Ltd./Jindal Aromatics and the residential premises of its Directors were the only ones involving a manufaturing unit. As a result of the searches, incriminating documents, foreign currencies worth Rs 11 lakhs (approx.) and Indian currency of Rs. 2.53 lakhs were seized.

(c) and (d) One of the Directors of M/s. Jindal Exports was arrested on 21.2.95. Show cause notices will be issued to the concerned persons after completion of the investigation.

Profit earnings by the film Hum Aapke hain Kaun

4396. SHRI CHIMANBHAI HARIBHAI SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) what is the State-wise amount of net profits earned so far in the country by the Hindi feature film "Hum Aapke Hain Kaun" produced by Rajshri Production, Bombay;

(b) what are the amounts of income tax and rates of tax paid to Government as compared to the total profit earned by the said film production company and producer of the film, State-wise; and

(c) what steps have been taken/proposed to be taken by Income Tax and Sales Tax Departments to realise the due amount of taxes from the producers of this film?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Net profits earned and the amount of Income tax paid by Rajshri Production will be known only after the income-tax return is field by the producer for which the due date is 31st December, 1995.

(c) Does not arise.

Indian Economic Reforms

4397. SHRI JAGESH DESAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the statement of the US Trade Representative, Mr Kantor, which appeared in the Times of India of the 14th January, 1995 that there was no guarantee that the Indian Economic Reforms would continue after the reversal of the ruling party in the recent elections; and

(b) if so, the reaction of Government and the steps taken to allay his fear?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) Economic reforms have brought significant improvement in all sections of the economy and need to be strengthened and sustained in the larger interest of the country.

Functioning of Exim Bank

4398. SHRI SYED SIBTEY RAZI: Will the Minister of FINANCE be pleased to state:

(a) whether the Export-Import Bank of India has signed an agreement with Morgan Grenfell and Co. Ltd. for a line of credit of Sterling 10 millions;

(b) if so, the details thereof;

(c) whether this credit pack will benefit the Indian Companies;

(d) if so, the details thereof and if not, the reasons therefor;

(e) whether this activity of Exim Bank will increase country's export also; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Export-Import Bank of India (Exim Bank) has reported that it has signed an agreement with Morgan Grenfell & Company Limited on March 15, 1995 for a line of credit of Pound Sterling (GBP) or US Dollars (USD) equivalent to GBP 10 million for financing import of eligible capital goods and related services from the UK. The details of the agreement, inter alia, include repayment in 10 equal consecutive semi-annual instalments and rate of interest of 62.5 basis points (bps) over GBP Libor or 57.5 bps over USD Libor.

(c) and (d) Exim Bank has reported that it would onlend the funds under this line to Indian companies to enable them to access eligible goods and services from the UK on competitive terms for modernisation, product upgradation, expansion or for setting up of new projects.

(e) and (f) Foreign currency resources mobilisation by Exim Bank constitutes part of the bank's composite strategy to assist exporters through competitive financing, advisory services and analytical research on markets and export products. The line of credit from Morgan Grenfell & Company Limited represents an additional source of foreign currency funding for Indian exporters and will assist them in enhacing their international competitiveness.